




**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**MEMORANDUM**

**TO:** The Commissioners  
Staff Director  
Deputy Staff Director  
General Counsel

**FROM:** Office of the Commission Secretary 

**DATE:** August 27, 2002

**SUBJECT:** Statement Of Reasons for MUR 5059

Attached is a copy of the Statement Of Reasons for MUR 5059 signed by Chairman David M. Mason, Vice Chairman Karl J. Sandstrom, Commissioner Danny L. McDonald, Commissioner Bradley A. Smith, and Commissioner Scott E. Thomas.

This was received in the Commission Secretary's Office on Monday, August 26, 2002 at 10:50 a.m.

cc: Vincent J. Convery, Jr.  
OGC Docket (5)  
Information Division  
Press Office  
Public Disclosure

Attachment

22-04-405-4655



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**BEFORE THE FEDERAL ELECTION COMMISSION**

*In re Sand for Senate 2000 Committee, et al.*

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MUR 5059

**STATEMENT OF REASONS**

On October 29, 2001, the Office of General Counsel recommended, pursuant to the Enforcement Priority System, that the Commission take no action in MUR 5059, other than closing the file, because the matter was less significant relative to other matters pending before the Commission. In lieu of approving this recommendation, the Commission, on November 6, 2001, voted unanimously<sup>1</sup> to find reason to believe that the Sand for Senate 2000 Committee and Chad R. McCabe, as treasurer, violated 2 U.S.C. § 434(a), send an admonishment letter, take no action with respect to all other respondents and close the file.

**Complaint & Response**

The Complaint alleges that the Sand Committee failed to pay or report payroll taxes for his staff, disclose eight contributions of at least \$1,000 in 48-hour Notices, disclose whether the Committee's office space was funded as a committee expenditure or by an in-kind contribution, and accurately file the Committee's 2000 July Quarterly Report.

Regarding payroll taxes, Duane Sand responded that he did not have any employees during the first quarter of 2000 for whom payroll taxes should have been paid and reported. Sand asserted that taxes for staff hired during the second quarter would be reported on the upcoming July Quarterly Report.

Concerning the 48-hour Notices, Sand admitted to an "administrative oversight" but also claimed that two of the eight contributions cited, comprising \$15,000 (from political parties) of the \$21,000 allegedly unreported, did not require 48-hour Reports as they initially had been misreported on the July Quarterly (by the date on the checks rather than the date the checks were received), and an amended report was to follow. The Commission's reports database indicates the Sand Committee made the amendment.

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<sup>1</sup> Commissioner Darryl Wold voted to find reason to believe. Commissioner Toner replaced Commissioner Wold before the issuance of this statement.

9594-504-40-22

Regarding the funding of office space, Sand asserted that during the first quarter he ran his campaign out of his home and had no disbursements for office space to report. An initial rent payment in August for office space was to be reported in the next report due.

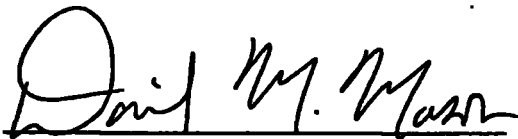
Finally, concerning the accuracy of the 2000 July Quarterly Report, Sand acknowledged that there was duplication within the Pre-Primary and July Quarterly Reports. However, he indicated the errors resulted from a lack of clarity in the Commission's Campaign Guide for Congressional Candidates and Committees and the instructions for Form 3.

#### Analysis

—Authorized committees that receive contributions of \$1,000 or more after the 20<sup>th</sup> day, but more than 48 hours before any election must notify the Commission of such contributions within 48 hours after receipt. 2 U.S.C. § 434(a)(6). The Sand Committee admits it failed to file 48-hour Reports for six of the eight contributions allegedly received during the 48-hour Notice window. The Committee represents that it was not required file 48-hour Reports for the two party contributions totaling \$15,000 of the \$21,000 allegedly unreported, leaving \$6,000 from six contributors that should have been included on 48-hour Notices.

Given Respondent's admission of 48-hour Notice violations, the Commission found reason to believe that the Sand Committee violated 2 U.S.C. § 434(a). Nonetheless, the relatively small amount of unreported contributions, in addition to the small amount at issue in the remaining allegations, renders this matter less significant relative to others matters before the Commission and, thus, does not justify further action beyond an admonishment letter.

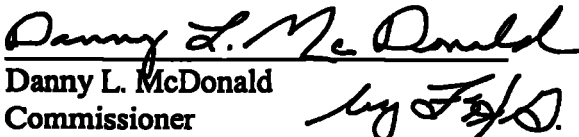
August 27, 2002



David M. Mason  
Chairman



Karl J. Sandstrom  
Vice Chairman

  
by F.S.D.

Danny L. McDonald  
Commissioner



Bradley A. Smith  
Commissioner



Scott E. Thomas  
Commissioner

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